

Clevenger, Charlotte

From: Fleetwood, Susan
Sent: Monday, November 27, 2017 4:57 PM
To: Eudy, Ken
Cc: Copeland, Anthony M
Subject: Natural Gas Bullets
Attachments: ACP and ED w notes.docx; ACP and ED.docx; Data Request Letter (State Govt)- READ ME.PDF; GASLines w ACP.pdf

Ken,

The Secretary asked that I forward along the following:

1. High level overview of potential areas of discussion (can be distributed at meeting if desired)
2. Same overview with some additional notes (not for distribution)
3. Map of ACP/gas transmission lines with counties and interstates/major highways and potential service gaps in red (this map does not show distribution lines, so these gaps are likely not as unserved as depicted, but gives an idea of potential areas of focus)
4. Letter outlining use of map data. Please note it is for internal government use only.

Please do not hesitate to let us know if you have questions or need additional details.

Thanks,
Susan

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Ensuring the Atlantic Coast Pipeline Facilitates Economic Development Opportunities

Clarify Impact of Natural Gas Availability

- Confirm the dekatherms already committed, amount of firm capacity left, and the average number of industrial users that can be served with the remaining capacity
- *Will help to manage expectations about pipeline's impact and potential to increase the number of users that could be served; perhaps specific goals could be jointly set and publicized*

Aggressively Market to Existing Companies

- Partner on resources to identify existing companies that might benefit from access to natural gas
- *Could include EDPNC existing industry team, natural gas business development representatives and others to share information to identify and connect with specific existing companies that may be good candidates for natural gas*

Incent Existing Companies to Utilize Natural Gas to Support Growth

- Gas companies require a contract to provide service and construct infrastructure, which may be cost prohibitive to companies
- Utilize fund to subsidize company's gas bill for a negotiated period of time at a scaling rate, so that the company is able to get access to gas at a more reasonable rate and grow its operations
- *New concept for which mechanics would need to be developed, but could address challenges gas companies express with receiving funding to support infrastructure development (see below)*

Support Proactive Development of Natural Gas Infrastructure

- Gas distribution companies face barriers (shareholder and rate-related) to installing infrastructure where no customer currently exists; this puts communities with industrial sites business parks without distribution gas lines at a competitive disadvantage
- Work together to eliminate those barriers and create a mechanism for "dark" infrastructure to be constructed to sites with the best opportunity for future development
- *Gas companies typically not interested in receiving funding to construct gas lines because they must pay taxes on grant as "revenue" and are not able to invest in infrastructure without customer in place due to shareholder expectations*

Identify Most Likely Locations of Future Direct Access to Pipeline

- Fayetteville, Pembroke and Smithfield have been identified as the first of three interconnects, due to market potential
- Provide information on the next three most likely interconnect locations to help focus efforts to find existing and new customers
- *Of the nine counties the pipeline will go through, three will currently have interconnects for gas distribution; it seems a logical next step to provide information on the location of future interconnects to better understand potential targeted areas for development*